

AN ACT

ENTITLED, An Act to prohibit insurers from taking certain actions based on receipt of a notice of hearing and charges against insurance producers and to require that persons receiving such notice also receive notice of the final determination of the matter.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 58-30-167 be amended to read as follows:

58-30-167. The director may suspend for not more than twelve months, or may revoke or refuse to continue, any license issued under this chapter, or any license of a surplus lines broker after a hearing. Notice of such hearing and of the charges against the licensee shall be given to the licensee and to the insurers represented by such licensee or to the appointing agent of a producer at least twenty days before the hearing. The director may suspend, revoke, or refuse to issue or renew an insurance producer's license or may accept a monetary penalty in accordance with § 58-4-28.1 or any combination thereof, for any one or more of the following causes:

- (1) Providing incorrect, misleading, incomplete, or materially untrue information in the license application;
- (2) Violating any insurance laws or rules, subpoena, or order of the director or of another state's insurance director, commissioner, or superintendent;
- (3) Obtaining or attempting to obtain a license through misrepresentation or fraud;
- (4) Withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business;
- (5) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance;
- (6) Having been convicted of a felony;
- (7) Having admitted or been found to have committed any insurance unfair trade practice or

fraud;

- (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere;
- (9) Having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory;
- (10) Forging another's name to an application for insurance or to any document related to an insurance transaction;
- (11) Using notes or any other reference material to complete an examination for an insurance license;
- (12) Knowingly accepting insurance business from an individual who sells, solicits, or negotiates insurance and is not licensed; or
- (13) Failing to comply with an administrative or court order imposing a child support obligation.

At the conclusion of the matter, the director shall send a letter to the licensee, the insurers represented by such licensee, and the appointing agent of a producer, stating the final determination of the matter.

Section 2. That chapter 58-30 be amended by adding thereto a NEW SECTION to read as follows:

No insurer may terminate the appointment of a producer based solely on the receipt of a notice of hearing pursuant to § 58-30-167 involving that producer.

An Act to prohibit insurers from taking certain actions based on receipt of a notice of hearing and charges against insurance producers and to require that persons receiving such notice also receive notice of the final determination of the matter.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1070

Chief Clerk
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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1070
File No. _____
Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor
=====

The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor
=====

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State